## **Electronically Recorded**

## **Tarrant County Texas**

Official Public Records

3/8/2011 10:34 AM

D211054731

Mory Louise Garcin

PGS 3 \$24.00

NOTICE OF CONFIDENTIALITY RIGHTS: A NATURAL PERSON, MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

# OIL, GAS AND MINERAL LEASE OHIS AGREEMENT made this day of day o

The Reliable Life Insurance Company, a Missouri corporation	2010 between
Lessor (whether one or more) whose address is: 12115 Lackland Road , Saint Louis, MO 63146	
and XTO Energy Inc., 810 Houston Street. Fort Worth, Texas 76102	Lessee, WITNESSETH:

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulplur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, techphone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the

1.5720 acres, more or less, being a called 1.5686 acres, situated in the George Shields Survey, A-1402 and the Sarah G. Jennings Survey, A-844, Tarrant County, Texas, being all of Lot I, Block 1R, Haws and Garrett Addition, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the plat thereof recorded in Volume 388-201, Page 62, Plat Records, Tarrant County, Texas, and being more particularly described in that certain Special Warranty Deed, dated November 15, 2006, from The Reliable Life Insurance Company, a Missouri corporation qualified to do business in Texas to the State of Texas, as recorded at Document No. D206408054, Official Public Records, Tarrant County, Texas.

DRILLING SURFACE RESTRICTIONS: It is hereby agreed and understood that there shall be no drilling activities on the surface of the leased premises without the prior written permission from the surface owner of the applicable portion of the leased premises.

This tease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hercunder, said land shall be deemed to contain 1.5720 acres, whether actually containing more or less, and options hereunder.

- 2. Unless somer terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of <u>FOUR (4)</u> years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
- 3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 25% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 25% of the cost of treating oil to render: it marketable pipe of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of 25% of such gas at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at said land, then at or before the expiration of said ninety day periond, Lessee shall not be obligated to install or furnish facilities other than well facilities and any time or times after the expiration of said ninety day period, Lessee shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at said land, then at or before the expiration of said ninety day period, Lessee shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a su
- 4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance; if limited to one or more of the following; (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Such unit shall become effective as of the date provided for in said instrument or instruments but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed of record. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after operations or production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, toyalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on file total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such l

The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time there is no unitized minerals being produced from such unit. Any unit formed may be amended, re-formed, reduced or enlarged by Lessee at its election at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the public office in which the pooled acreage is located. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent affocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any numeral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or access road, drilling, testing, completing, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and lixtures placed on said land, including the right to draw and remove easing. No well shall be drilled nearer than 200 feet to the house or bain now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drifting of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsover effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a cooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drifling of a new well
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth 14. As a result of table development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set form in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or offer said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands nooled therewith, shall for purposes of this lease he deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

114 ATTIA29	WHEREOF, this instrument is exec	cuted on the date first abor-	e written.			
	Life Insurance Compan					
	The.	J.h.M.				
By:	M. Boschelle.	as Anat	Trus	<del></del>		
		ACKNO'	WLEDGEMENT			_
STATE OF	ILLINOIS	)				
COUNTY OF _	соок	) SS	Corporati	on		
This instrument was	s acknowledged before me on the	28th	day of . July	February	, <u>2010</u> 2011	
by John M. Bos	schelli, as Assistant Treas	urer of The Reliable	e Life Insura	nce company peting a	behalf of said corporation	
			S ENO HIDDIO	nce company, acting of	benair of said corporation	
			$\triangle$	/		
			( Const	ene Delx		
			Notary Public		3/0	
11838 OKUB			1	OFFICIAL SEA		
				CONSTANCE D. NE	ELSON }	
				NOTARY PUBLIC, STATE OF	allinois }	

MY COMMISSION EXPIRES 10-18-2014

#### <u>ADDENDUM</u>

### (NON-SURFACE USE)

Attached to and made a part of Oil, Gas and Mineral Lease dated //2/10, 2010, by and between The Reliable Insurance Company, as Lessor, and XTO Energy Inc., as Lessee. It is understood and agreed by all parties that the language on this Addendum supersedes any provisions to the contrary in the printed lease hereof.

- 15. Lessee or the purchaser of oil and/or gas or other products produced from the leased premises will pay to Lessor the royalties provided for herein within the time provided in §91.402 of the Natural Resources Code of the State of Texas and upon failure to pay within the stated time to pay interest thereon as provided in §91.403 of the Natural Resources Code of the State of Texas.
- 16. Anything herein to the contrary notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, and all reference to other minerals contained herein is hereby deleted.
- 17. It is expressly understood and agreed that Lessor is granting rights to Lessee that Lessor would not grant to others. Therefore, if Lessee intends to assign or sublease any of its right, title and interest in this lease, Lessee shall deliver to Lessor a file stamped copy of such assignment with ninety (90) days of its recordation.
- 18. If production should cease from any pooled unit, this lease shall terminate as to all lands and depths included within such unit unless Lessee commences drilling or reworking operations on such unit within ninety (90) days and pursues such operations with due diligence on the same or successive wells with no cessation of operations greater than ninety (90) consecutive days; and if production is restored from such unit, this lease shall remain in effect as to the lands and depths included therein as long as oil or gas is produced in paying quantities from such unit. If the well or wells drilled or reworked by Lessee on such unit are completed and produce from a different zone or zones then the well originally completed on such unit, and if the Railroad Commission rules applicable to such newly productive zone provides for density of drilling less than the density rules applicable to the original well, then such new well or wells shall maintain this lease in force only as to the new pooled units, and only as to depths down to one hundred feet (100') below the base of the deepest production interval in such well; and Lessee shall, upon completion of its continuous drilling or reworking operations on such unit, release all lands and depths within the previous unit no longer held by production from the new well or wells on such unit.
- 19. Upon written request by Lessor, at the termination of this Lease, as to any part of the leased premises. Lessee, his heirs or assigns, at Lessee's sole expense, shall prepare and publicly record a release within 90 days of such termination, and shall provide one (1) file stamped copy of release to Lessor.
- 20. Lessee agrees to indemnify and hold Lessor harmless from any and all liability, damages, environmental damages, reasonable attorney's fees, expenses, causes of action, suits, claims or judgments of any kind or character for injury to persons or property caused by Lessee's operations on the subject lands or lands pooled therewith.
- In the event Lessor should own less than the entirety of the oil and gas under any portion of the Premises, then the royalties due Lessor on production from said portion of the Premises shall be reduced to the proportion thereof that Lessor's interest in such oil and gas in said portion bears to the entirety of the oil and gas thereunder. In this regard, this lease is granted to cover Lessor's interest in the oil and gas in said lands and the interests in the oil and gas in said lands owned by others, if any, as to which Lessor has the right and authority to grant a lease to the extent such interests in the oil and gas in said lands owned by others are not presently subject to any other valid and subsisting oil and gas lease.
- 22. If Lessee shall require the execution of a division order for payment of royalty payable under the Lease, then the only form of division order permitted for Lessee's use shall be such form promulgated by the State of Texas and set forth in Section 91.402(d), of the Texas Natural Resource Code as amended from time to time.
- 23. Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that, in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all the leased premises will be included in such pool or unit.

Return to: Bryson G. Kuba 6127 Green Jacket Dr. Apt. # 1136 Fort Worth, TX 76137